



## CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt resolution authorizing the City Manager to provide a Public Benefits Program Grant in the amount of \$17,765.50 to fund the Lodi Export Group Load Management Pilot Project

**MEETING DATE:** June 6, 2001

**PREPARED BY:** Electric Utility Director

**RECOMMENDED ACTION:** That the City Council adopt resolution authorizing the City Manager to provide a Public Benefits Program Grant in the amount of \$17,765.50 to partially fund the Lodi Export Group Load Management Pilot Project

**BACKGROUND INFORMATION:** In March of this year, Lodi Export Group approached the City of Lodi Electric Utility to explore energy supply options. In consultation with Planergy International (the City of Lodi's chosen energy services provider), it was recommended that Lodi Export Group temporarily install a back-up power source that would enable the company to sufficiently weather any potential rolling power outages (one of Lodi Export Group's main concerns).


As a result of this inquiry, the City of Lodi Electric Utility is proposing a pilot project whereby the customer (Lodi Export Group) utilize their back-up power source when requested by the utility. In the event of energy curtailments over the ensuing months, Lodi Export Group, by way of this pilot project, would temporarily disconnect from the city power grid, and operate on a back-up electric energy source.

This pilot project is consistent with numerous efforts currently being spear-headed by the California State Legislature, the Governor's office, and the California Energy Commission. These entities are proposing several load management (energy reduction) programs designed to help ease California's ongoing energy crisis (there are three specific state sponsored load curtailment programs that the City of Lodi Electric Utility has applied to participate in for the summer of 2001).

The Public Benefits Program grant requested for this load management pilot project totals fifty percent of the entire project cost to Lodi Export Group. A new electric panel and a 180 kW back-up electric supply unit are the two main components of this request.

As California's energy crisis enters its first summertime test the City of Lodi Electric Utility continues to research and develop creative programs designed to ensure system reliability, while maintaining customer safety. The City of Lodi Electric Utility believes that this pilot project is one such effort aimed at achieving this goal, and thus respectfully recommends approval of this funding request as a qualifying component of the City of Lodi Public Benefits Program.

APPROVED: \_\_\_\_\_

  
H. Dixon Flynn - City Manager



# CITY OF LODI

## COUNCIL COMMUNICATION

**Funding:** 164605 – Public Benefits Program – (Category: Demand-side Management)

**Funding Available:** *Ruby R. Pate for*  
Vicky McAthie, Finance Director

*Alan N. Vallow*  
Alan N. Vallow  
Electric Utility Director

**PREPARED BY:** Rob Lechner, Manager of Customer Programs

ANV/RL/lst

C: City Attorney

**APPROVED:** \_\_\_\_\_  
H. Dixon Flynn - City Manager

RESOLUTION NO. 2001-135

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING  
THE CITY MANAGER TO PROVIDE A PUBLIC BENEFITS  
PROGRAM GRANT TO FUND THE LODI EXPORT GROUP  
LOAD MANAGEMENT PILOT PROJECT

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WHEREAS, the State has mandated that beginning January 1, 1998, the City of Lodi is obligated to fund various programs through a Public Benefits Charge (PBC) based on a historical electric revenue requirement; and

WHEREAS, the requirement amounts to approximately \$1M per year that must be dedicated to qualifying programs such as energy efficiency. A further stipulation is that these efforts must be done on the customer's side of the meter in order to qualify; and

WHEREAS, the Lodi Export Group has requested the Lodi Electric Utility to explore energy supply options; and

WHEREAS, in consultation with Planergy International, it was recommended that Lodi Export Group temporarily install a back-up power source that would enable the company to sufficiently weather any potential rolling power outages; and

WHEREAS, as a result of Lodi Export Group's inquiry, the City of Lodi Electric Utility proposes a pilot project whereby the customer (Lodi Export Group) utilize their back-up power source when requested by the utility. In the event energy curtailments over the ensuing months, Lodi Export Group, by way of this pilot project, would temporarily disconnect from the City power grid, and operate on a back-up electric energy source; and

WHEREAS, the Public Benefits Program grant requested for this load management pilot project totals fifty percent of the entire project cost to Lodi Export Group, which includes a new electric panel and a 180 kW back-up electric supply unit.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council hereby authorizes the City Manager to provide a Public Benefits Program Grant in the amount of \$17,765.50 to fund the Lodi Export Group Load Management Pilot Project.

Dated: June 6, 2001

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I hereby certify that Resolution No. 2001-135 was passed and adopted by the Lodi City Council in a regular meeting held June 6, 2001 by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Howard, Land, Pennino and Mayor Nakanishi

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON  
City Clerk